

**Effective 5/10/2016**

**59-12-804 Imposition of rural city hospital tax -- Base -- Rate -- Administration, collection, and enforcement of tax -- Administrative charge.**

- (1)
  - (a) A city legislative body may impose a sales and use tax of up to 1%:
    - (i) on the transactions described in Subsection 59-12-103(1) located within the city; and
    - (ii) to fund rural city hospitals in that city.
  - (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax under this section on:
    - (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and
    - (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients.
  - (c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.
  - (d) A city legislative body imposing a tax under this section shall impose the tax on amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.
- (2)
  - (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall obtain approval to impose the tax from a majority of the:
    - (i) members of the city legislative body; and
    - (ii) city's registered voters voting on the imposition of the tax.
  - (b) The city legislative body shall conduct the election according to the procedures and requirements of Title 11, Chapter 14, Local Government Bonding Act.
- (3) The money collected from a tax imposed under Subsection (1) may only be used to fund:
  - (a) ongoing operating expenses of a rural city hospital;
  - (b) the acquisition of land for a rural city hospital; or
  - (c) the design, construction, equipping, or furnishing of a rural city hospital.
- (4)
  - (a) A tax under this section shall be:
    - (i) except as provided in Subsection (4)(b), administered, collected, and enforced in accordance with:
      - (A) the same procedures used to administer, collect, and enforce the tax under:
        - (I) Part 1, Tax Collection; or
        - (II) Part 2, Local Sales and Use Tax Act; and
      - (B) Chapter 1, General Taxation Policies; and
    - (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year period by the city legislative body as provided in Subsection (1).
  - (b) A tax under this section is not subject to Subsections 59-12-205(2) through (7).
- (5) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this section.

Amended by Chapter 364, 2016 General Session